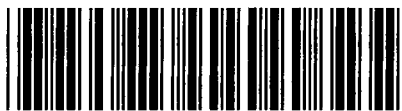




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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION
STAFF'S SEVENTEENTH REQUEST FOR INFORMATION

Question Staff No. 17-11:

For each of the years 2009, 2011, 2013, 2014, 2015, 2018, 2019, and 2020 confirm whether SWEPCO actually made or anticipates making cash payments to its parent or the IRS for federal income tax liabilities for each year. If SWEPCO made cash payments to its parent or the IRS in these years please provide the amounts of each actual cash payment made by SWEPCO to its parent or the IRS, shown separately for each year. Please also explain how any cash payments by SWEPCO for income taxes in these years impacted the use of the cash received through the tax allocation agreement to fund investments as suggested by the rebuttal testimony of Mr. Hodgson.

Response Staff No. 17-11:

Confirmed. In the years identified, SWEPCO generated separate company taxable income. In accordance with the consolidated income tax allocation agreement, SWEPCO made payments to AEP based on that stand-alone taxable income. Please see Staff 17-11 Attachment 1 for the payments associated with the requested years.

On a separate return basis, the taxable income generated in the years in question would have been offset by a NOL and customers would have received the benefits of the NOL utilized.

Staff 17-11 Attachment 1 will be provided electronically on the PUC Interchange.

Prepared By: David A. Hodgson

Title: Tax Acctg & Reg Support Mgr

Sponsored By: David A. Hodgson

Title: Tax Acctg & Reg Support Mgr

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Tax Allocation Agreement					
Tax Year	Taxable Income	Tax Rate	Tax	Payments	Receipts
2009	46,739,333	35%	16,358,767	16,358,767	-
2010	(58,670,714)	35%	(20,534,750)	-	(20,534,750)
2011	55,366,940	35%	19,378,429	19,378,429	-
2012	(1,207,127,066)	35%	(422,494,473)	-	(422,494,473)
2013	61,224,910	35%	21,428,719	21,428,719	-
2014	56,112,581	35%	19,639,403	19,639,403	-
2015	114,448,324	35%	40,056,913	40,056,913	-
2016	(358,866,044)	35%	(125,603,115)	-	(125,603,115)
2017	(98,182,199)	35%	(34,363,770)	-	(34,363,770)
2018	57,203,764	21%	12,012,790	12,012,790	-
2019	80,238,343	21%	16,850,052	16,850,052	-
Q1 2020	10,231,165	21%	2,148,545	2,148,545	-
	(1,241,280,663)		(455,122,490)	147,873,618	(602,996,108)